

POLICY FOR RELATED PARTY TRANSACTIONS

1. OBJECTIVE

The objective of this Policy is to ensure that transactions with subsidiary, associated companies and other Related Parties are entered into by Treet Battery Limited (“**Company**”) in accordance with the manner prescribed by Section 208 of the Companies Act 2017 read with Regulation No. 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the Companies (Related Party Transactions and Maintenance of Related Records) Regulations, 2018.

2. SCOPE OF THE POLICY

This Policy applies to transactions between the Company and one or more of its Related Parties. It provides a framework for governance and reporting of Related Party Transactions. It is intended to ensure due and timely identification, approval, disclosure and reporting of transactions between the Company and any of its Related Parties. Amendments, from time to time, to the Policy, if any, shall be considered by the Board. The policy covers all related party transactions of the Company as defined under Section 208 of Companies Act 2017. The policy is applicable on all individuals responsible to initiate, authorize, record and report related party transactions.

3. DEFINITIONS

3.1. Arm’s length transaction means a transaction which is subject to such terms and conditions as if it is carried out in a way, as if:

- a. the parties to the transaction were unrelated in any way;
- b. the parties were free from any undue influence, control or pressure;
- c. through its relevant decision-makers, each party was sufficiently knowledgeable about the circumstances of the transaction, sufficiently experienced in business and sufficiently well advised to be able to form a sound business judgment as to what was in its interests; and
- d. each party was concerned only to achieve the best available commercial result for itself in all the circumstances.

3.2. Office or profit means any office:

- a. where such office is held by a director, if the director holding it receives from the company anything by way of remuneration over and above the remuneration to which he is entitled as director, by way of salary, fee, commission, perquisites, any rent-free accommodation, or otherwise; and
- b. where such office is held by an individual other than a director or by any firm, private company or other body corporate, if the individual, firm, private company or body corporate holding it receives from the company anything by way of remuneration, salary, fee, commission, perquisites, any rent-free accommodation, or otherwise.

3.3. Related Party includes:

- a. a director or his relative;
- b. a key managerial personnel or his relative;
- c. a key managerial person shall mean the following:
 - i. the Chief Executive Officer of the Company;
 - ii. the Company Secretary of the Company;
 - iii. the whole time Director on the Board of the Company; or
 - iv. the Chief Financial Officer of the Company.
- d. a firm, in which a director, manager or relative is a partner;
- e. a private company in which a director or manager is a member or director;
- f. a public company in which a director or manager is a director or holds along with his relatives, any shares of its paid up share capital;
- g. any body corporate whose chief executive or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;
- h. any person on whose advice, directions or instructions a director or manager is accustomed to act;
- i. any company which is:
 - i. a holding, subsidiary or an associated company of such company; or
 - ii. a subsidiary of a holding company to which it is also a subsidiary such other person as may be specified.
- j. Relative means spouse, siblings and lineal ascendants and descendants of a person.

Provided that nothing in sub-clauses (g) and (h) shall apply to the advice, directions or instructions given in a professional capacity.

****All other definitions will be construed as per the Companies Act 2017 and all other relevant laws.***

4. TYPES OF RELATED PARTY TRANSACTIONS

- 4.1. Any contract or arrangement of the following nature which may be intended to be entered into by the Company with a Related Party, shall be considered a related party transaction subject to this Policy:
 - a. sale, purchase or supply of any goods or materials;
 - b. selling or otherwise disposing of, or buying, property of any kind;
 - c. leasing of property of any kind;
 - d. availing or rendering of any services;
 - e. appointment of any agent for purchase or sale of goods, materials, services or property; and
 - f. such related party's appointment to any office or place of profit in the company, its or associated company;

Provided that where majority of the Directors of the Company are interested in any of the above transactions, the matter shall be placed before the General Meeting of the Company for approval through a special resolution.

- 4.2. Also that nothing in this sub-section shall apply to any transactions entered into by the company in its ordinary course of business on an arm's length basis.

5. DISCLOSURE AND APPROVAL OF RELATED PARTY TRANSACTIONS

The board shall approve related party transactions that require its approval and the following minimum information shall be circulated and disclosed to the directors along with agenda for board's meeting called for approval of related party transactions:

- a. name of related party;
- b. names of the interested or concerned persons or directors;
- c. nature of relationship, interest or concern along with complete information of financial or other interest or concern of directors, managers or key managerial personnel in the related party;
- d. detail, description, terms and conditions of transactions;
- e. amount of transactions;
- f. time frame or duration of the transactions or contracts or arrangements;
- g. pricing policy;
- h. recommendations of the audit committee, where applicable; and
- i. any other relevant and material information that is necessary for the board to make a well informed decision regarding the approval of related party transactions.

6. TERMS OF THE POLICY

- 6.1. The terms of reference for the Policy are as follows:

- a. The management shall obtain approval of the policy by the Board of Directors ("**Board**");
- b. The management may enter into any contract or arrangement with a related party only in accordance with the policy approved by the Board, subject to such conditions as may be specified;
- c. The management shall obtain approval of the Board for contracts that are not on arm's length basis or not in the ordinary course of business;
- d. The management shall present all related party transactions to the Audit Committee for their recommendation to the Board for approval;
- e. Every contract or arrangement entered into shall be referred to in the Board's report to the shareholders along with justifications; and
- f. Management shall maintain records of the transactions undertaken with related parties.

7. PRICING METHODOLOGY

- 7.1. Any related party transactions carried out on arm's length basis shall use one of the following pricing methodologies:

- a. **Comparable Uncontrolled Price Method** that is the comparison with prices charged in comparable transactions between independent parties.
 - b. **Resale Price Method** that evaluates whether the amount charged in a controlled transaction is arm's length by reference to the gross profit margin realized by the seller in comparable uncontrolled transactions.
 - c. **Cost Plus Method** which requires addition of a margin to the costs of producing or acquiring the relevant goods or services.
 - d. **Profit Split Method** aims to determine the profit that independent enterprises would have expected to realize from engaging in the transaction and splits it on an economically viable basis.
 - e. **Transactional Net Margin Method** compares the related party's net profitability on a controlled transaction to the net profit obtained by broadly similar uncontrolled companies on similar transactions.
- 7.2. Where the Company decides to use a price other than the arm's length price, the Audit Committee and the Board of Directors will approve it, the reasons for using a price other than the arm's length price will be recorded in writing and the following disclosure be made in the financial statements:
- a. The transactions between the Company and related parties have been measured at arm's length prices except for the transaction in question;
 - b. The transaction for which a price other than the arm's length price has been used, the reason therefore, the arm's length price that could have been applied and the price used; and
 - c. The financial impact of the departure from the arm's length price on the Company's net profit or loss, assets, liabilities, equity and cash flows for each relevant period presented.
- 8. OTHER MATTERS**
- 8.1. The Board of Directors shall approve the transfer pricing policy for a related party transaction before such transaction is entered into.
 - 8.2. For each related party, the Company shall prepare a statement to record the methods for determining transfer prices of various types of transactions with such party.
 - 8.3. The Company shall maintain a party wise record of transaction and shall ensure that it includes the minimum information as prescribed by the Companies (Related Party Transactions and Maintenance of Related Records) Regulations, 2018, in each quarter, entered into with related parties in that quarter along with the basis of each transaction.

- 8.4. The record of all related party transactions shall be placed before the Board Audit Committee on a quarterly basis.
- 8.5. Upon recommendation of the Audit committee the record of all related party transactions shall be placed before the Board of Directors for their review and approval.
- 8.6. The related party transactions that are not executed at arm's length price shall be placed separately before the Audit Committee along with necessary justification for review and recommendation to the Board.
- 8.7. The related party transactions that are not executed at arm's length price shall be placed separately before the Board of Directors along with necessary justification for consideration and approval of the Board.
- 8.8. Annually, the management will seek Board approval for limits on transactions with subsidiary and associated undertakings. The actual transactions for the previous year will also be approved by the Board.
- 8.9. It is further provided that where majority of the Directors are interested in such transactions the matter shall be placed before the general meeting for approval and record shall be maintained in the manner specified in the procedure.
- 8.10. Any related party transactions entered into by a Director or employee of the Company without obtaining the prior approval of the Audit Committee, Board or the Shareholders in a general meeting, as may be applicable, have to be ratified, by the Board or by the Shareholder's subject to the applicable provisions of the Companies Act 2017, within ninety (90) days of such transaction or the date of approval by the Board of Directors of this Policy for Related Party Transactions, whichever is later. In the event it is not ratified within the prescribed period then such contract or arrangement shall be voidable at the option of the Board and if the contract or arrangement is with a related party to any director, or is authorized by any other director, the directors concerned shall indemnify the company against any loss incurred by it.
- 8.11. Every director shall, within a period of (30) thirty days of his appointment, disclose to the Company the particulars relating to his concern or interests which are required to be recorded in the form specified in Annexure — I.

END OF DOCUMENT

ANNEXURE – I

To,
The Board of Directors,
Treet Battery Limited

Dear Directors,

Pursuant to the provisions of Clause 8.11 of the Related Party Transactions Policy of Treet Battery Limited, I _____, son/daughter/spouse of _____, being a Director of the Company hereby give notice of my interest or concern in the following company(s), bodies corporate firms or other associations:

Names of the Companies/bodies corporate/firms/ association	Nature of interest or concern	Shareholding (if any) with number of shares and percentage of shareholding	Date on which interest or concern arised

Name and designation:

Date:

Signature: